

2775041

REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000
FOR
BOURNSTON DEVELOPMENTS LIMITED



BOURNSTON DEVELOPMENTS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2000

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	4
Consolidated Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Consolidated Balance Sheet	7
Parent Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the consolidated financial statements	10-18

The following pages do not form part of the statutory accounts

Trading and Profit and Loss Account	19-20
--	--------------

BOURNSTON DEVELOPMENTS LIMITED

COMPANY INFORMATION

for the Year Ended 31st December 2000

DIRECTORS:

J R Whysall
P M Kilmister

SECRETARY:

B S Smith-Hilliard

REGISTERED OFFICE:

Ossington Chambers
Castle Gate
Newark
Nottinghamshire
NG24 1AX

REGISTERED NUMBER:

2775041 (England and Wales)

AUDITORS:

KPMG
Chartered Accountants and Registered
Auditors
St Nicholas House
Park Row
Nottingham
NG1 6FQ

BOURNSTON DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

for the Year Ended 31st December 2000

The directors present their report with the financial statements of the company for the year ended 31st December 2000.

PRINCIPAL ACTIVITY

The principal activities of the company in the year under review were those of property development and investment. The company is also the holding company for the group.

The group's principal activities are those of property development and investment. All activities of both the parent company and the group are continuing.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements. The group made a pre tax profit of £613,712 during the year. Tax payable for the year for the group is expected to be £16,166. A deferred taxation charge of £283,000 has also been passed through the profit and loss account of which £198,000 is in relation to the revaluation of an investment property held by a subsidiary company. The revaluation surplus within that company amounted to £793,349, and in accordance with recommended accounting practice, this surplus is reflected in the statement of total recognised gains and losses on page six of the financial statements whereas the tax charge incorporating the deferred tax element, is charged to the profit and loss account on page five. After payment of dividends amounting to £85,000 the balance of £229,546 has been added to reserves.

The directors have revalued investment property held at the year end, as a result of which a surplus on revaluation of £868,940 has been added to the revaluation reserve account.

Shareholders funds at 31st December 2000 amounted to £1,205,787.

Bank and other loans amounting to £2,333,216 at 31st December 2000 have been repaid since the year end out of profits and sales of property in stock held for sale. Although the group balance sheet indicates net current liabilities at 31st December 2000 of £3,453,783, the directors consider that this is only a temporary situation caused by the completion of the development of an investment property and on which long term finance has now been obtained in the sum of £4,100,000.

The directors consider the results to be satisfactory. Management accounts indicate that this level of group profitability has been maintained during the first nine months of 2001.

DIVIDENDS

No dividends were paid during the year in respect of the A ordinary shares. Dividends in respect of the B ordinary shares were paid as follows:

6 th April 2000	Interim	£50,000
12 th September 2000	Interim	£10,000
20 th October 2000	Interim	£25,000

DIRECTORS

The directors during the year under review were:

J R Whysall
P M Kilmister

The beneficial interests of the directors holding office on 31st December 2000 in the issued share capital of the company were as follows:

	31/12/00	1/1/00
'A' Ordinary £1 shares		
J R Whysall	1	1
P M Kilmister	-	-
'B' Ordinary £1 shares		
J R Whysall	-	-
P M Kilmister	1	1

In accordance with the company's Articles of Association, by virtue of holding the only issued 'A' share, Mr J R Whysall is classified as an 'A' designated director. Similarly, Mr P M Kilmister, who holds the only issued 'B' share is classified as a 'B' designated director.

BOURNSTON DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

for the Year Ended 31st December 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, KPMG, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
B S Smith-Hilliard - SECRETARY

Dated: 29th October 2001

BOURNSTON DEVELOPMENTS LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
BOURNSTON DEVELOPMENTS LIMITED**

We have audited the financial statements of Bournston Developments Limited for the year ended 31st December 2000 on pages five to eighteen. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants and Registered
Auditors
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Dated: 29 October 2001.

BOURNSTON DEVELOPMENTS LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
for the Year Ended 31st December 2000

		<u>31/12/00</u>	<u>31/12/99</u>
	Notes	£	£
TURNOVER		7,323,712	192,672
Cost of sales	3	<u>5,628,909</u>	<u>150,472</u>
GROSS PROFIT		1,694,803	42,200
Administrative expenses	3	<u>571,436</u>	<u>205,622</u>
GROUP OPERATING PROFIT/(LOSS)	4	1,123,367	(163,422)
Other operating income		<u>-</u>	<u>29,540</u>
PROFIT /(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		1,123,367	(133,882)
Interest receivable (group)		<u>3,190</u>	<u>4,912</u>
		1,126,557	(128,970)
Interest payable (group)	5	<u>512,845</u>	<u>168,101</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		613,712	(297,071)
Tax on profit/(loss) on ordinary activities	6	<u>299,166</u>	<u>(4,232)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE MEMBERS OF THE PARENT COMPANY		314,546	(292,839)
Dividends	8	<u>85,000</u>	<u>-</u>
RETAINED PROFIT/(DEFICIT) FOR THE YEAR	18	<u><u>£229,546</u></u>	<u><u>£(292,839)</u></u>

The notes form part of these financial statements

BOURNSTON DEVELOPMENTS LIMITED

STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES
for the Year Ended 31st December 2000

		<u>31/12/00</u>	<u>31/12/99</u>
	Notes	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		314,546	(292,839)
Surplus on revaluation of investments	10 & 18	<u>868,940</u>	<u>107,026</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u><u>£1,183,486</u></u>	<u><u>£(185,813)</u></u>

The notes form part of these financial statements

BOURNSTON DEVELOPMENTS LIMITED**CONSOLIDATED BALANCE SHEET****31st December 2000**

		31/12/00		31/12/99	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	9		58,061		28,957
Investments	10		<u>6,090,000</u>		<u>982,837</u>
			6,148,061		1,011,794
CURRENT ASSETS:					
Stocks	11	3,688,173		3,673,441	
Debtors	12	445,992		184,921	
Cash at bank		<u>106,442</u>		<u>309,944</u>	
		4,240,607		4,168,306	
CREDITORS: Amounts falling due within one year	13	<u>7,694,390</u>		<u>1,313,347</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(3,453,783)</u>		<u>2,854,959</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,694,278		3,866,753
CREDITORS: Amounts falling due after more than one year	14		(1,205,491)		(3,759,452)
PROVISIONS FOR LIABILITIES AND CHARGES	16		<u>(283,000)</u>		<u>-</u>
			<u>£1,205,787</u>		<u>£107,301</u>
CAPITAL AND RESERVES:					
Called up share capital	17		2		2
Revaluation reserve	18		1,106,135		237,195
Profit and loss account	18		<u>99,650</u>		<u>(129,896)</u>
EQUITY SHAREHOLDERS' FUNDS			<u>£1,205,787</u>		<u>£107,301</u>

Approved by the Board of Directors on 29th October 2001 and signed on its behalf.


 J R Whysall - DIRECTOR

The notes form part of these financial statements

BOURNSTON DEVELOPMENTS LIMITED**PARENT COMPANY BALANCE SHEET****31st December 2000**

		<u>31/12/00</u>		<u>31/12/99</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	9		58,061		28,957
Investments	10		<u>1,348,691</u>		<u>1,248,837</u>
			1,406,752		1,277,794
CURRENT ASSETS:					
Stocks	11	80,815		639,780	
Debtors	12	2,254,075		1,717,098	
Cash at bank		<u>76,453</u>		<u>309,944</u>	
		2,411,343		2,666,822	
CREDITORS: Amounts falling due within one year					
	13	<u>2,151,663</u>		<u>1,090,762</u>	
NET CURRENT ASSETS:					
			<u>259,680</u>		<u>1,576,060</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:					
			1,666,432		2,853,854
CREDITORS: Amounts falling due after more than one year					
	14		<u>1,205,491</u>		<u>2,629,169</u>
			<u>£460,941</u>		<u>£224,685</u>
CAPITAL AND RESERVES:					
Called up share capital	17		2		2
Revaluation reserve	18		312,786		344,504
Profit and loss account	18		<u>148,153</u>		<u>(119,821)</u>
SHAREHOLDERS' FUNDS:					
			<u>£460,941</u>		<u>£224,685</u>

Approved by the Board of Directors on 29th October 2001 and signed on its behalf.
J R Whysall - DIRECTOR

BOURNSTON DEVELOPMENTS LIMITED**CASHFLOW STATEMENT****for the Year Ended 31st December 2000****Reconciliation of operating profit to net cash inflow from operating activities**

	2000	1999
	£	£
Operating profit/(loss)	1,123,367	(133,882)
Depreciation charges	14,438	3,460
Decrease in investments	-	149,950
Increase in stocks	(14,732)	(3,324,523)
Increase in debtors	(261,027)	(165,354)
(Decrease)/increase in creditors	<u>(125,871)</u>	<u>1,249,848</u>
Net cash inflow/(outflow) from continuing operations	<u>736,175</u>	<u>(2,220,501)</u>

CASH FLOW STATEMENT

	2000	1999
	£	£
Net cash flow from operating activities	736,175	(2,220,501)
Dividends received from associate	-	-
Returns on investments and servicing of finance	(398,618)	(48,879)
Taxation	(14,924)	(3,551)
Capital Expenditure	(4,281,765)	(205,250)
Acquisitions and disposals	-	-
Equity Dividends paid	<u>(85,000)</u>	<u>-</u>
	(4,044,132)	(2,478,181)
Management of liquid resources		
Financing	<u>3,840,008</u>	<u>2,757,328</u>
(Decrease)/Increase in cash	<u>(204,124)</u>	<u>279,147</u>

	2000	1999
	£	£
Reconciliation of net cashflow to movement in net debt		
(Decrease)/Increase in cash in the period	(204,124)	279,147
Cash inflow from increase in loan debt	(3,844,123)	(2,757,314)
Cash to repay lease financing	4,115	990
New finance leases	-	<u>(18,450)</u>
Change in net debt	(4,044,132)	(2,495,627)
Net debt at 1 st January	<u>(3,109,029)</u>	<u>(613,402)</u>
Net debt at 31 st December	<u>(7,153,161)</u>	<u>(3,109,029)</u>

BOURNSTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31st December 2000**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards.

Basis of Consolidation

The consolidated financial statements include the results of Bournston Developments Limited and its subsidiary undertakings drawn up to 31st December 2000. No profit and loss account for the company has been presented for Bournston Developments Limited as permitted by section 230 of the Companies Act 1985.

Turnover

Turnover comprises the value of goods and services provided during the year and rents receivable (exclusive of Value Added Tax).

Goodwill

Purchased goodwill arising on the acquisition of subsidiary undertakings prior to 1st January 2000 is set off directly against reserves. As permitted by FRS 10, this goodwill has not been reinstated in the balance sheet and remains written off to reserves.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Stocks and Work in Progress

Stocks and work in progress, which includes the cost of property together with all other directly attributable costs, are stated at the lower of cost and net realisable value. Costs of property purchased for development and resale includes the following:-

Cost of acquisition

Legal fees on acquisition

Planning fees and related costs

Costs of development

Professional fees relating to acquisition and development

Interest incurred during development and ending on the date of practical completion

Net realisable value is based on actual or estimated sales proceeds less further costs expected to be incurred to completion.

Purchases and sales of properties are accounted for on exchange of contracts, unless the contract is conditional and the condition has not been satisfied at the date the financial statements are approved. In such circumstances the purchase or sale is accounted for on completion of contracts.

Net realisable value is based on actual or estimated sales proceeds less further costs expected to be incurred to completion.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

BOURNSTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st December 2000

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Fixed asset investments

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a Revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as the company's investment property is not held for consumption, but for its investment potential, to depreciate it would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made, the loss for the financial year would have increased by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2. TURNOVER

The turnover and profit (1999 - loss) before taxation are attributable to the one principal activity of the company and derives wholly from the United Kingdom.

3. STAFF COSTS

	31/12/00	31/12/99
	£	£
Wages and salaries	198,440	97,484
Social security costs	16,930	6,343
Other pension costs	100	-
	<u>215,470</u>	<u>103,827</u>

The average monthly number of employees during the year was as follows:

	31/12/00	31/12/99
Sales	1	1
Office and administration	6	4
Directors	<u>2</u>	<u>2</u>
	<u>9</u>	<u>7</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31/12/00	31/12/99
	£	£
Depreciation - owned assets	11,743	2,741
Depreciation - assets on hire purchase contracts	2,695	719
Auditors' remuneration - this year	15,250	4,800
- underprovision last year	1,085	-
- for services other than audit	<u>14,165</u>	<u>-</u>
Directors' emoluments and other benefits etc	<u>157,036</u>	<u>77,518</u>

BOURNSTON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2000****5. INTEREST PAYABLE AND SIMILAR CHARGES**

Interest payable and similar charges includes the following:

	31/12/00	31/12/99
	£	£
Bank interest	74	2,174
Loan interest	510,925	161,869
Other interest	-	3,571
Finance leases and hire purchase contracts	1,846	487
	<u>512,845</u>	<u>168,101</u>

6. TAXATION

The tax charge/(credit) on the profit/(loss) on ordinary activities for the year was as follows:

	31/12/00	31/12/99
	£	£
UK corporation tax (at 20% and 30%)	16,166	(4,232)
Deferred taxation (note 16)	<u>283,000</u>	<u>-</u>
	<u>299,166</u>	<u>(4,232)</u>

7. PROFIT/(LOSS) ATTRIBUTABLE TO THE MEMBERS OF THE PARENT COMPANY

The profit/(loss) dealt with in the accounts of the parent company amounted to £352,974 (1999 - loss £146,353). After payment of dividends amounting to £85,000 (1999- none) the profit retained for the year was £267,974 (1999 - loss £146,353).

8. DIVIDENDS

	31/12/00	31/12/99
	£	£
On 'B' ordinary shares	<u>85,000</u>	<u>-</u>

9. TANGIBLE FIXED ASSETS**Group and company**

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1st January 2000	10,576	20,800	1,884	33,260
Additions	<u>35,612</u>	<u>-</u>	<u>7,930</u>	<u>43,542</u>
At 31st December 2000	<u>46,188</u>	<u>20,800</u>	<u>9,814</u>	<u>76,802</u>
DEPRECIATION:				
At 1st January 2000	2,069	1,494	740	4,303
Charge for year	<u>6,618</u>	<u>4,826</u>	<u>2,994</u>	<u>14,438</u>
At 31st December 2000	<u>8,687</u>	<u>6,320</u>	<u>3,734</u>	<u>18,741</u>
NET BOOK VALUE:				
At 31st December 2000	<u>37,501</u>	<u>14,480</u>	<u>6,080</u>	<u>58,061</u>
At 31st December 1999	<u>8,507</u>	<u>19,306</u>	<u>1,144</u>	<u>28,957</u>

BOURNSTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31st December 2000**

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<u>Motor vehicles</u>
	<u>£</u>
COST:	
At 1st January 2000	
and 31st December 2000	<u>11,500</u>
DEPRECIATION:	
At 1st January 2000	719
Charge for year	<u>2,695</u>
At 31st December 2000	<u>3,414</u>
NET BOOK VALUE:	
At 31st December 2000	<u>8,086</u>
At 31st December 1999	<u>10,781</u>

10. FIXED ASSET INVESTMENTS

	<u>Group</u> <u>£</u>	<u>Company</u> <u>£</u>
COST OR VALUATION:		
At 1st January 2000	982,837	1,248,837
Additions	4,238,223	131,572
Surplus/(deficit) on revaluation	<u>868,940</u>	<u>(31,718)</u>
At 31st December 2000	<u>6,090,000</u>	<u>1,348,691</u>
NET BOOK VALUE:		
At 31st December 2000	<u>6,090,000</u>	<u>1,348,691</u>
At 31st December 1999	<u>982,837</u>	<u>1,248,837</u>

Cost or valuation at 31st December 2000 is represented by:

	<u>£</u>	<u>£</u>
Valuation in 1998	-	237,478
Valuation in 1999	237,195	107,026
Valuation in 2000	868,940	(31,718)
Cost	<u>4,983,865</u>	<u>1,035,905</u>
	<u>6,090,000</u>	<u>1,348,691</u>

If investments had not been revalued they would have been included at the following historical cost:

	<u>Group</u>	<u>Company</u>
	31/12/00	31/12/99
	<u>£</u>	<u>£</u>
Cost	<u>4,983,865</u>	<u>745,641</u>
	<u>1,035,905</u>	<u>904,333</u>

Investments were valued on an open market basis on 31st December 2000 by P M Kilmister ARICS, a director.

BOURNSTON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2000****10. FIXED ASSET INVESTMENTS - continued**

	<u>Group</u>		<u>Company</u>	
	31/12/00	31/12/99	31/12/00	31/12/99
	£	£	£	£
Unlisted investments	<u>6,090,000</u>	<u>982,837</u>	<u>1,348,691</u>	<u>1,248,837</u>

Included in the cost of group fixed asset investments is £74,546 (company-nil) in respect of capitalised loan interest (1999 - Group and Company nil).

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Waterlakes Estates Limited

Nature of business: Property Investment

	%		
Class of shares:	holding		
Ordinary £1	100.00		
		31/12/00	31/12/99
		£	£
Aggregate capital and reserves		220,753	328,821
Profit for the period/year		<u>1,932</u>	<u>31,820</u>

Kentford Estates Ltd

Nature of business: Property development

	%		
Class of shares:	holding		
Ordinary	100.00		
		31/12/00	30/6/99
		£	£
Aggregate capital and reserves		(3,385)	(3,108)
Loss for the year/period		<u>(277)</u>	<u>(4,108)</u>

Eis Build Ltd

Nature of business: Property development

	%		
Class of shares:	holding		
Ordinary	100.00		
		31/12/00	
		£	
Aggregate capital and reserves		482,937	
Profit/(Loss) for the period		<u>732,935</u>	

The first accounting period for this company was from 30th July 1999 to 31st December 2000.

Bournston (Bramall Lane Development)Ltd

Nature of business: Development of Investment Property

	%		
Class of shares:	holding		
Ordinary	100.00		
		31/12/00	
		£	
Aggregate capital and reserves		203,333	
Loss for the period		<u>(590,018)</u>	

The first accounting period for this company was from 2nd September 1999 to 31st December 2000.

BOURNSTON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****for the Year Ended 31st December 2000****11. STOCKS**

	Group		Company	
	31/12/00	31/12/99	31/12/00	31/12/99
	£	£	£	£
Stocks and work in progress	<u>3,688,173</u>	<u>3,673,441</u>	<u>80,815</u>	<u>639,780</u>

Loan interest included in the cost of group stocks and work in progress at 31st December 2000 was £129,871 (1999 - £63,037).

No loan interest was included in the cost of parent company stocks and work in progress as at 31st December 2000 (31st December 1999 - nil)

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/00	31/12/99	31/12/00	31/12/99
	£	£	£	£
Due within one year				
Trade debtors	298,192	110,530	19,289	110,530
Other debtors	136,537	8,409	136,537	7,126
Prepayments and accrued income	8,461	63,180	5,175	56,179
Corporation Tax Refundable	2,802	2,802	2,802	2,802
Amount due from group undertakings	-	-	2,090,272	1,540,461
	<u>445,992</u>	<u>184,921</u>	<u>2,254,075</u>	<u>1,717,098</u>

The company has a loan at 31st December 2000 of £72860 (1999-£7126) outstanding by Lodgeday Management Ltd., a company in which Mr P M Kilmister is a director and controlling shareholder.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/00	31/12/99	31/12/00	31/12/99
	£	£	£	£
Bank loans and overdrafts	5,240,767	392,061	46,622	392,061
Obligations under finance leases and hire purchase contracts	13,345	17,460	13,345	17,460
Loan	800,000	-	800,000	-
Trade creditors	366,559	581,761	64,607	78,998
Other creditors and accruals	26,559	81,089	14,776	81,568
Directors loan accounts	749,981	69,410	749,981	69,410
Corporation tax	16,166	14,924	-	-
Other taxes and social security costs	43,498	5,139	43,481	5,139
Accruals and deferred income	437,515	151,503	197,008	101,291
Amount due to group undertaking	-	-	221,843	344,835
	<u>7,694,390</u>	<u>1,313,347</u>	<u>2,151,663</u>	<u>1,090,762</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/00	31/12/99	31/12/00	31/12/99
	£	£	£	£
Bank loans	755,491	1,759,452	755,491	629,169
Loan	450,000	1,250,000	450,000	1,250,000
Directors loan accounts	-	750,000	-	750,000
	<u>1,205,491</u>	<u>3,759,452</u>	<u>1,205,491</u>	<u>2,629,169</u>

Amounts falling due in more than five years:

Repayable by instalments				
Bank loans	<u>533,438</u>	<u>456,749</u>	<u>533,438</u>	<u>456,749</u>

BOURNSTON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****for the Year Ended 31st December 2000****15. SECURED DEBTS**

The following secured debts are included within creditors:

	<u>Group</u>		<u>Company</u>	
	31/12/00	31/12/99	31/12/00	31/12/99
	£	£	£	£
Bank overdrafts	622	-	622	-
Bank loans	5,995,636	2,151,513	801,491	1,021,230
Hire purchase contracts	<u>13,345</u>	<u>17,460</u>	<u>13,345</u>	<u>17,460</u>
	<u>6,009,603</u>	<u>2,168,973</u>	<u>815,458</u>	<u>1,038,690</u>

The bank loans are repayable after more than five years and are secured by a fixed charge over individual property assets belonging to the company. The bank loans bear interest at a rate which fluctuates in line with the inter bank rate. At 31st December 2000, these varied between 8% and 10%. The directors expect the loans by themselves totalling £750,000 will be repaid no later than 31st May 2001 out of profits generated. The interest rate on these loans is 31.25% per annum. Of the other unsecured loans totalling £1,250,000, £800,000 has been repaid by 30th April 2001, and £450,000 is due to be repaid in February 2002. These loans carry an effective rate of interest of between 13% and 16% per annum. Hire purchase contracts were wholly repaid in February 2001 and were secured on the asset to which they related. Bank overdrafts are secured by a floating charge on the company's assets.

16. DEFERRED TAXATION (GROUP)

	<u>Provided</u>		<u>Unprovided</u>	
	31/12/00	31/12/99	31/12/00	31/12/99
	£	£	£	£
Accelerated capital allowances	85,000	-	4,000	-
On revaluation of investment property	<u>198,000</u>	<u>-</u>	<u>84,000</u>	<u>-</u>
	<u>283,000</u>	<u>-</u>	<u>88,000</u>	<u>-</u>

The provision for deferred tax on the revaluation of an investment property relates to a surplus on revaluation of £793,349 arising in a subsidiary company. The revaluation surplus is reflected in the statement of total recognised gains and losses on page six of these financial statements.

BOURNSTON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the Year Ended 31st December 2000**17. CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	31/12/00 £	31/12/99 £
50	'A' Ordinary	£1	50	50
50	'B' Ordinary	£1	<u>50</u>	<u>50</u>
			<u>100</u>	<u>100</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/00 £	31/12/99 £
1	'A' Ordinary	£1	1	1
1	'B' Ordinary	£1	<u>1</u>	<u>1</u>
			<u>2</u>	<u>2</u>

18. RESERVES**GROUP**

	Revaluation Reserve £	Profit & Loss Account £	Total £
Balance at 1 st January 2000	237,195	(129,896)	107,299
Surplus on revaluation	868,940	-	868,940
Profit retained for the year	<u>-</u>	<u>229,546</u>	<u>229,546</u>
Balance at 31 st December 2000	<u>1,106,135</u>	<u>99,650</u>	<u>1,205,785</u>

COMPANY

	Revaluation Reserve £	Profit & Loss Account £	Total £
Balance at 1 st January 2000	344,504	(119,821)	224,683
Deficit on revaluation	(31,718)	-	(31,718)
Profit retained for the year	<u>-</u>	<u>267,974</u>	<u>267,974</u>
Balance at 31 st December 2000	<u>312,786</u>	<u>148,153</u>	<u>460,939</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	31/12/00 £	31/12/99 £
Profit/(loss) for the year	314,546	(292,839)
Dividend	<u>(85,000)</u>	<u>-</u>
Retained profit/(loss) for the year	229,546	(292,839)
Other recognised gains and losses	<u>868,940</u>	<u>107,026</u>
Net additions during the year	1,098,486	(185,813)
Shareholders' funds at 1 st January 2000	<u>107,301</u>	<u>293,114</u>
Shareholders' funds at 31 st December 2000	<u>1,205,787</u>	<u>107,301</u>

20. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31st December 2000 (1999-None).

21. CAPITAL COMMITMENTS

	31/12/00 £	31/12/99 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

BOURNSTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31st December 2000**

22. GROSS CASHFLOWS

	2000		1999	
	£	£	£	£
Returns on investments and servicing of finance				
Interest received		3,146		8,609
Interest paid including interest on finance lease and hire purchase rental agreement		(401,764)		(57,488)
		(398,618)		(48,879)
Capital expenditure				
Payments to acquire tangible fixed assets excluding those on finance leases and hire purchase contracts	(43,542)		(3,439)	
Payments to acquire fixed asset investments	(4,238,223)		(201,811)	
Receipts from sales of tangible fixed assets	-		-	
		(4,281,765)		(205,250)
Acquisitions and disposals				
Purchase of subsidiary undertaking	-		-	
Sale of subsidiary undertaking	-		-	
		-		-
Financing				
Issue of ordinary shares	-		1,004	
Loan	3,844,123		2,757,314	
Capital payments of finance lease and hire purchase rental payments	(4,115)		(990)	
		<u>3,840,008</u>		<u>2,757,328</u>

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1st January 2000	Cashflows	Acquisitions and disposals (exc cash & overdrafts)	Other changes	At 31st December 2000
	£	£	£	£	£
Cash at bank and in hand	309,944	(203,502)	-	-	106,442
Overdrafts	-	(622)	-	-	(622)
		(204,124)			
Debt due within one year	(392,061)	(5,648,084)	-	-	(6,040,145)
Debt due after one year	(3,009,452)	1,803,961	-	-	(1,205,491)
		(3,844,123)	-	-	-
Finance lease and hire purchase agreements	(17,460)	4,115	-	-	(13,345)
Balance at 31 st December	<u>(3,109,029)</u>	<u>(4,044,132)</u>	<u>-</u>	<u>-</u>	<u>(7,153,161)</u>

24. TRANSACTIONS WITH DIRECTORS

- During the year, the parent company was charged £60,000 in relation to a management charge by Lodgeday Management Limited, a company in which Mr P.M. Kilmister is a director and controlling shareholder. The directors consider that this figure represents normal commercial terms.
- The company has a loan at 31st December 2000 due from Lodgeday Management Limited in the sum of £72,860 (1999 - £7,126). During the year, the company repaid a loan to Bournfield Limited (a company in which Mr J.R. Whysall is a director and controlling shareholder), the balance at 31st December 1999 having been £38,157. Interest on these loans has been charged at 10% per annum.

BOURNSTON DEVELOPMENTS LIMITED**TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 31st December 2000**

	31/12/00		31/12/99	
	£	£	£	£
Income:				
Sale Proceeds	6,922,625		46,000	
Rental Income	363,125		119,057	
Services	22,342		17,323	
Recharges	11,727		4,821	
Car Parking	3,893		5,471	
		7,323,712		192,672
Cost of sales:				
Opening stock	3,673,442		348,918	
Development and Related Costs	9,254,753		3,576,155	
Service charges	20,700		-	
Rental Income Expenditure	155,098		81,678	
Legals and Agents Fees on Sale	198,570		1,635	
Tfr to investment property	(4,230,861)		(184,472)	
Advertising and Brochure Costs	83,648		-	
Other Marketing Costs	41,314		-	
Release fees	120,418		-	
	9,317,082		3,823,914	
Closing stock	3,688,173		3,673,442	
		5,628,909		150,472
GROSS PROFIT		1,694,803		42,200
Other income:				
Profit on sale of investment property	3,190		29,540	
Interest Receivable	-		4,912	
		3,190		34,452
		1,697,993		76,652
Expenditure:				
Directors' remuneration	138,334		68,334	
Social security	16,930		6,343	
Pension contributions	100		-	
Wages & salaries	60,106		29,150	
Consultancy	15,936		8,750	
Telephone	6,626		4,760	
Printing, stationery & postage	14,598		7,264	
Advertising	12,669		-	
Travel & subsistence	9,181		5,211	
Motor expenses including leasing	13,290		1,922	
Repairs & renewals	5,376		3,698	
Refurbishment	91,104		1,776	
Management recharge	60,000		-	
Miscellaneous expenses	16,253		5,435	
Auditors remuneration	30,500		4,800	
Accountancy	43,750		27,605	
Legal & professional fees	2,500		5,309	
Irrecoverable value added tax	-		2,407	
Bad debts	-		451	
Rates	2,513		2,135	
Insurance	11,983		8,491	
Light & heat	1,020		995	
	552,769	1,697,993	194,836	76,652

This page does not form part of the statutory financial statements

BOURNSTON DEVELOPMENTS LIMITED**TRADING AND PROFIT AND LOSS ACCOUNT****for the Year Ended 31st December 2000**

	31/12/00		31/12/99	
	£	£	£	£
Brought forward	<u>552,769</u>	1,697,993	<u>194,836</u>	76,652
		<u>552,769</u>		<u>194,836</u>
		1,145,224		(118,184)
Finance costs:				
Bank interest	75		2,174	
Loan interest	510,924		161,869	
Other interest	-		3,571	
Hire purchase	1,846		487	
Bank Charges	<u>4,229</u>		<u>7,326</u>	
		<u>517,074</u>		<u>175,427</u>
		628,150		(293,611)
Depreciation:				
Fixtures, Fittings & Equipment	6,618		1,427	
Motor vehicles	4,826		1,494	
Computer equipment	<u>2,994</u>		<u>539</u>	
		<u>14,438</u>		<u>3,460</u>
NET PROFIT/(LOSS)		<u><u>£613,712</u></u>		<u><u>£(297,071)</u></u>